

The State of Children's Health: A National Perspective

**Presentation for the Iowa Legislative
Commission on Affordable Health Care Plans
for Small Businesses and Families**

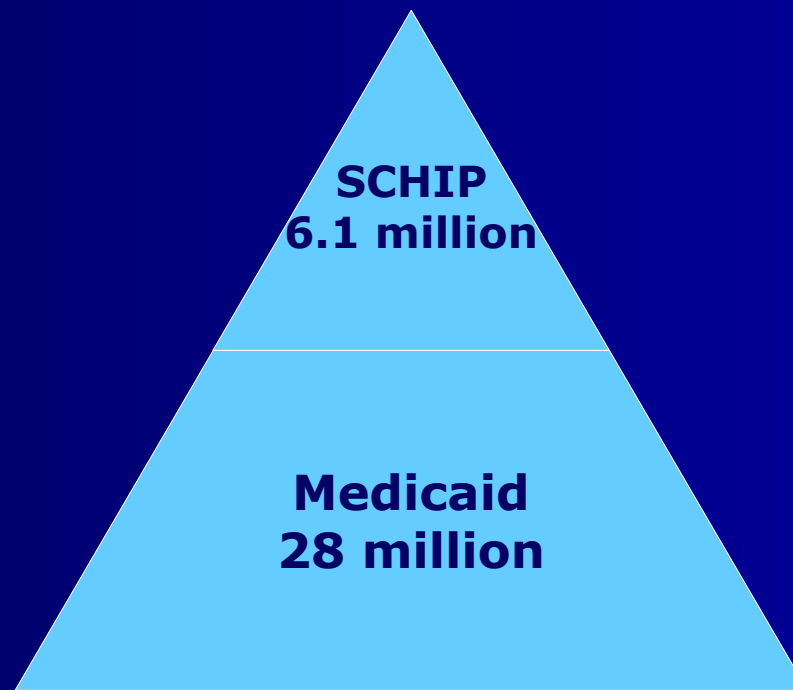
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State Strategies to Insure more Children

- 1) Medicaid/SCHIP eligibility increases
- 2) Public program buy-in allowing children at higher incomes to purchase coverage
- 3) Premium assistance for employer-sponsored insurance
- 4) Enhance outreach, administrative simplification and coordination

SCHIP Builds on Medicaid for Children's Coverage



2005 Enrollment (Children)

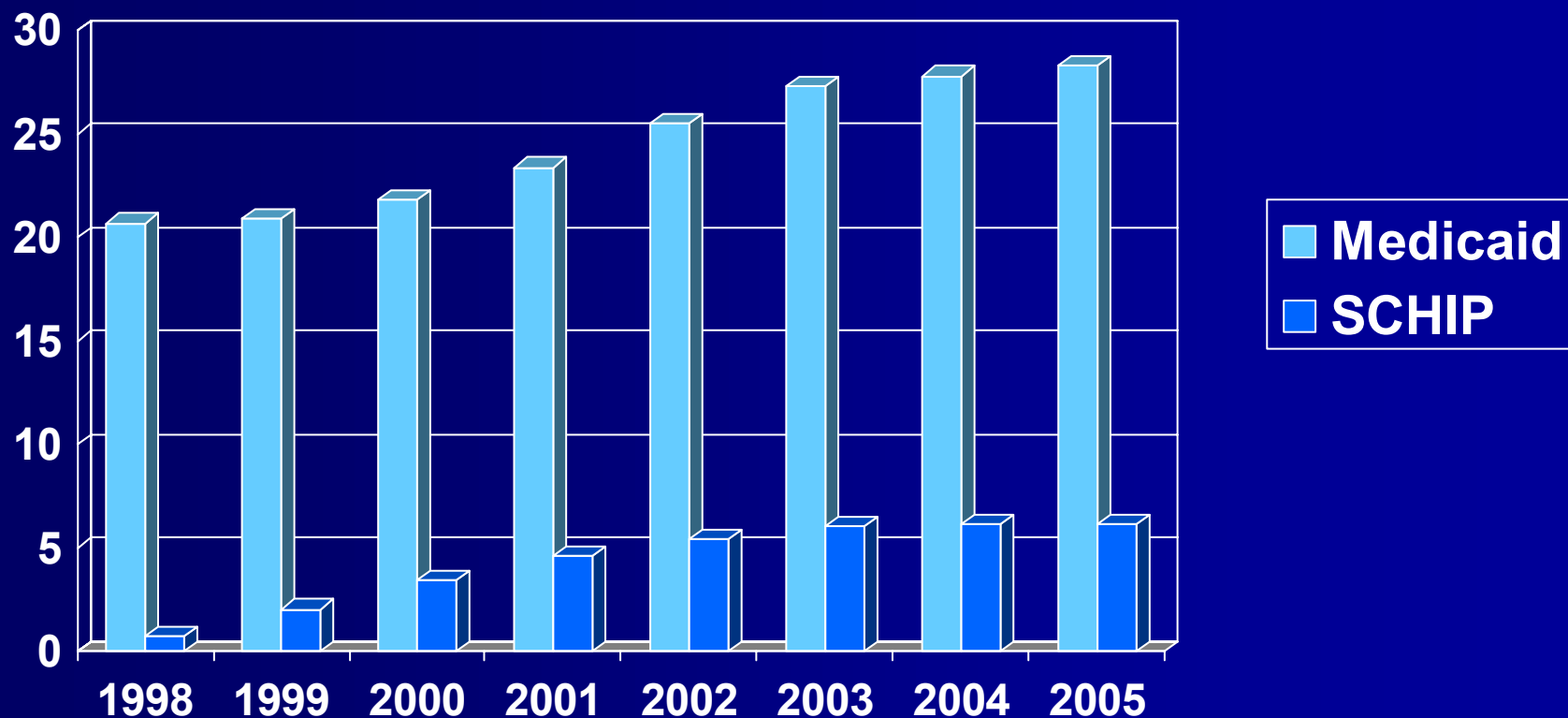
Source: Kaiser Commission on Medicaid and the Uninsured

SCHIP Builds on Medicaid for Children's Coverage (cont'd)

	Medicaid	SCHIP
Coverage	Required for newborns to age 6	Above Medicaid levels- typically 200%- up to 300%
Entitlement	To Beneficiaries and states	To States
Enrollment Caps	Not permitted for eligible people	Permitted
Financing	Guaranteed Federal Match Regular Match Rate Iowa- 61.98%	Capped Financing Enhanced match rate Iowa- 73.39%
Scope of Coverage	Option to impose benchmark benefits, EPSDT Wrap-Around Coverage	Benchmark Benefits, no mandate for EPSDT
Cost-Sharing and Premiums	Generally, not allowed for mandatory children; premiums allowed >150% FPL	Permitted- up to 5% of family income

Coverage of Children Has Grown with Increasing Medicaid and SCHIP Enrollment

Millions of Children



Source: Kaiser Commission on Medicaid and the Uninsured

State Actions for Children's Health Coverage (2006-2007)

- ❑ Seven states enacted and are implementing plans that define *near* "universal access" to affordable health insurance for children (Hawaii, Illinois, Maine, Massachusetts, Pennsylvania, Vermont, Washington)
- ❑ Thirteen states plus DC enacted expansions for children's eligibility (Alaska, Colorado, D.C., Indiana, Louisiana, Montana, New Mexico, New York, North Dakota, Ohio, Oklahoma, South Carolina, Tennessee and West Virginia)
- ❑ Six states enacted plans to improve outreach and enrollment (Arizona, Connecticut, Iowa, New Hampshire, Texas, Utah)

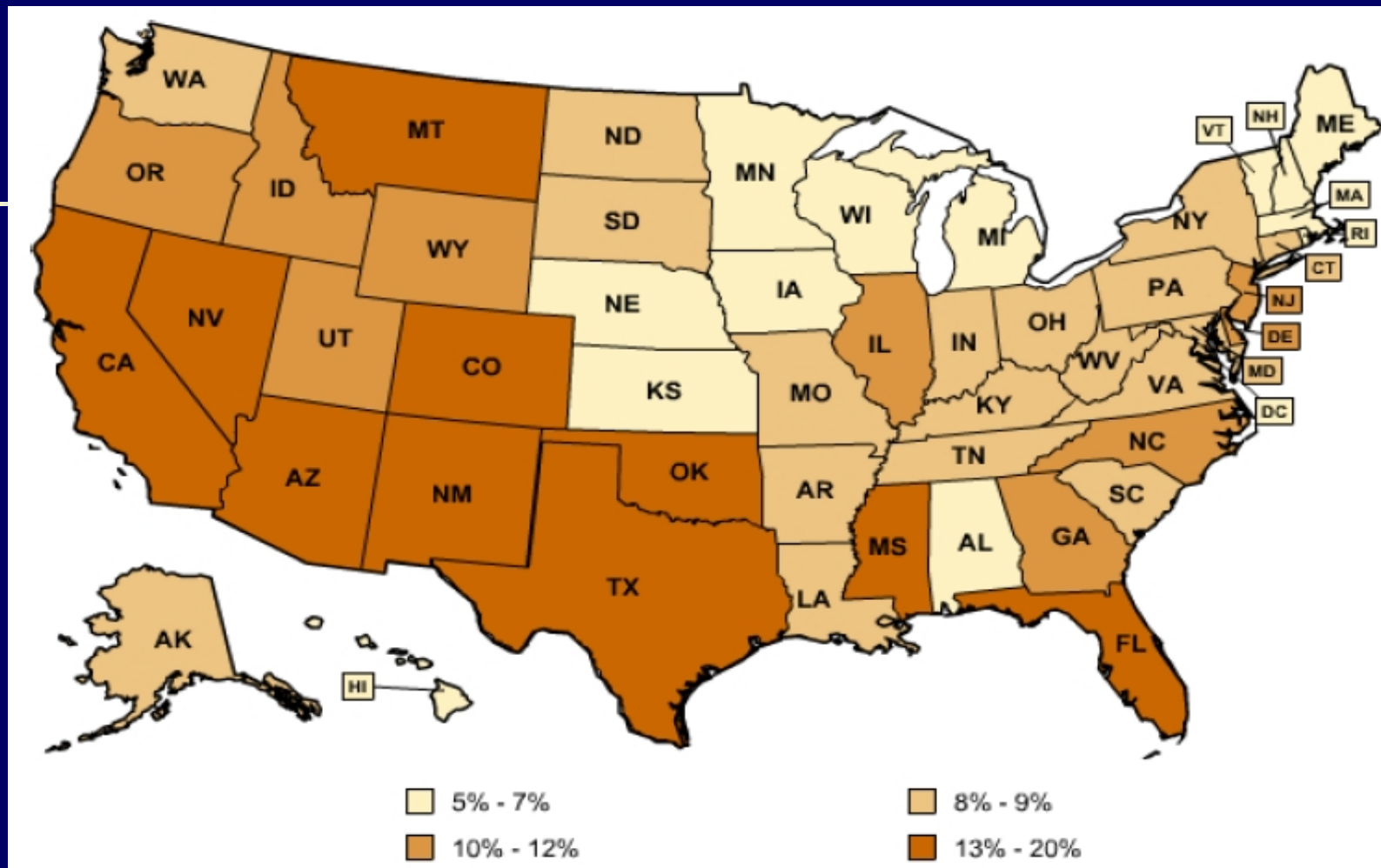
Illinois- All Kids

- **Implemented in 2006, builds on the state's Medicaid and SCHIP programs**
- **Funded entirely with state dollars**
- **Covers children regardless of immigration status**
- **Must be uninsured for 12 months to enroll**
- **As of April 2007, approximately 50,000 children had enrolled in the All Kids program**

Other State Examples

- Pennsylvania created the Cover All Kids program by expanding SCHIP from 200% to 300% to cover more children
 - Families with higher income may buy-in to SCHIP at full cost.
- Tennessee enacted the CoverKids program which covers children up to 250% of FPL
 - Expect 20,000 children to enroll within first year

Percentage of Uninsured Children in the U.S. by State, 2006



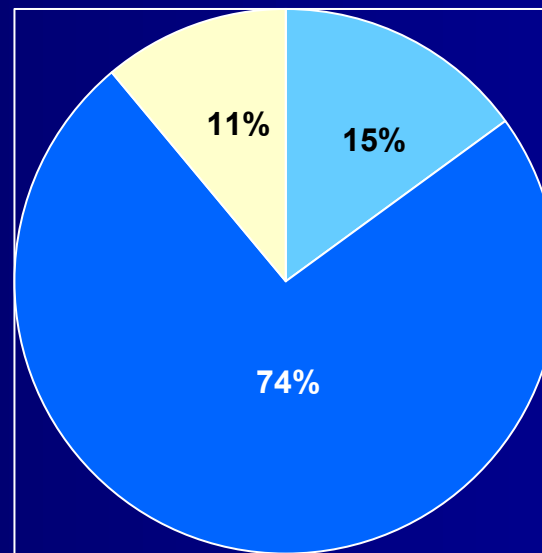
Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2005 and 2006 Current Population Survey (CPS: Annual Social and Economic Supplements).

Distribution of Uninsured Children by Eligibility for Medicaid and SCHIP, 2004

Not Eligible, <300% FPL

Not Eligible >300% FPL

**Eligible for
Medicaid/SCHIP**



Approximately $\frac{3}{4}$ of U.S. uninsured children are eligible for Medicaid and/or SCHIP

Outreach for Enrollment

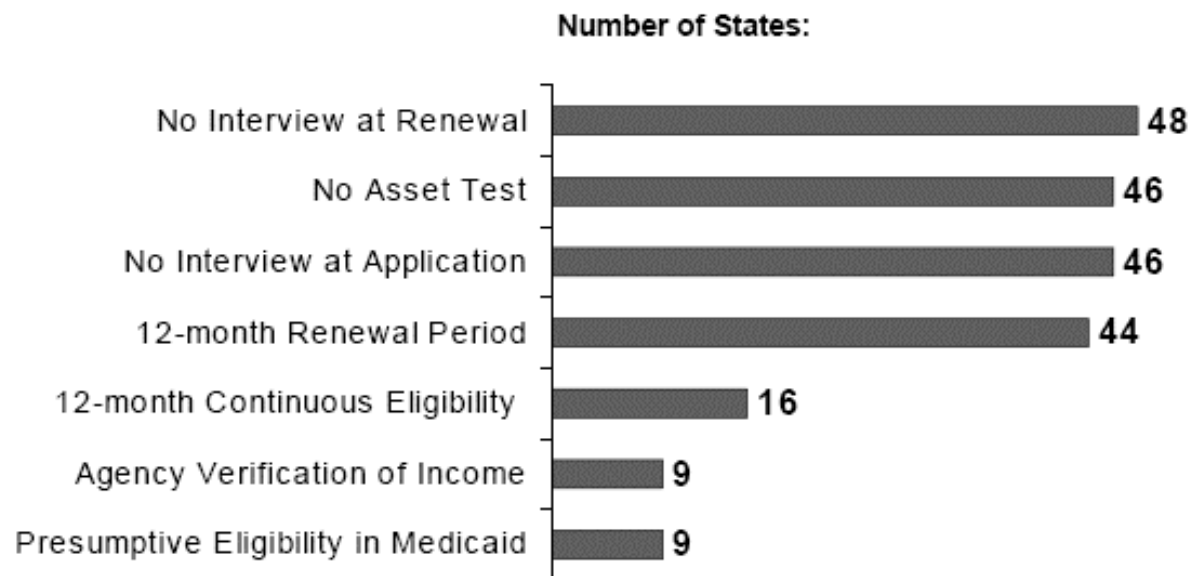
- **Permit mail-in applications***
- **Eliminate face-to-face interviews***
- **Eliminate asset test***
- **Allow self declaration of income under Medicaid and SCHIP**
- **Allow presumptive eligibility**
- **Allow continuous eligibility* (for hawk-i)**

**Iowa currently has strategy in place*

Number of States Simplifying Enrollment and Renewal

Figure 5

Simplifying Enrollment and Renewal: Strategies States are Using in Children's Health Coverage Programs, July 2006



SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2006.

KAISER COMMISSION ON
Medicaid and the Uninsured

State Experiences

- Wisconsin experienced a 22% (25,000 people) decline in enrollment after establishing a new employer verification process
- Washington reversed policy changes after data revealed more strict eligibility rules had led to 39,000 children being dropped from programs

State Initiatives to Improve Enrollment

- **Connecticut** passed a law that would automatically enroll all uninsured newborns into their SCHIP program and presumptive eligibility for children applying for Medicaid. The law also creates a single point of entry for children applying for Medicaid or SCHIP.
- **Texas** created a community outreach campaign for SCHIP, extending continuous coverage for children from 6 to 12 months, and eliminating a 90-day waiting period.
- **Arizona** lifted a "gag rule" in SCHIP to allow schools to participate in outreach and enrollment efforts.

Premiums and Co-payments

- **Thirty-five states charged premiums or enrollment fees for children's coverage**
 - In Iowa, premium cannot exceed \$20 for *hawk-i*
- **Federal law prohibits cost sharing/premiums in Medicaid for children**
 - Some states require cost sharing/premiums for Medicaid through waivers
- **Only co-pay for hawk-i is \$25 for improper use of the ER**

State Reforms and Reauthorization

- As of June 2007, 31 states had enacted or announced coverage initiatives for children
- Reforms rely heavily on federal financing from SCHIP and Medicaid

State-Federal Policy Statement

- New guidance from the Bush Administration could limit state efforts to expand coverage
- New York request for expansion up to 400% was denied by the Centers for Medicare and Medicaid on Sept. 10, 2007

Outlook for SCHIP

- Deadline for reauthorization is Sept. 30, 2007
- Administration has threatened to veto the House or Senate bills
- House and Senate are working on a compromise bill

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